accounting, and the business office in support of sales to customers in the utilities and data processing industry. In 1982, I accepted a position at AT&T's Long Lines Engineering organization. I held various positions at AT&T, including Engineering Systems Design, Switch Planning, and Material Management. In 1990, I accepted a position in State Government Affairs, developing Network and Access costs in support of AT&T's intrastate service filings. My duties also included analysis, intervention, and negotiations related to local exchange carrier (LEC) service filings. In 1993, I joined the Access Management organization, working in all phases of access rate design and intervention. I have held my current position since 1996.

5. A summary of my regulatory experience is found in Exhibit ML-1.

II. PURPOSE OF STATEMENT

6. The purpose of my Statement is to address the requirements of Section 271 of the Telecommunications Act of 1996 (FTA) with respect to numbering issues and to assess SWBT's degree of compliance with those requirements. Specifically, I will address four of the requirements of the FTA and related Federal Communications Commission (FCC) Orders with which SWBT must comply. My Statement discusses how, in multiple respects, SWBT's negotiated interconnection agreements with other carriers in Oklahoma and its Statement of Generally Available Terms and Conditions for Oklahoma (SGAT) fail to satisfy the FTA with respect to number administration, number portability, local dialing parity, and toll dialing parity.

7. SWBT's various interconnection agreements and its SGAT, on which it apparently relies in its attempt to satisfy Section 271, actually demonstrate SWBT's lack of compliance in each of these four areas. As explained in the Statement of Edwin Rutan, SWBT necessarily must seek Section 271 authority to provide in-region interLATA services under Track A. For Track A purposes, SWBT's SGAT is irrelevant not only because SWBT must actually be providing access and interconnection to predominately facilities-based, "competing" carriers

pursuant to approved interconnection agreements, but also because it is those interconnection agreements which must fully implement the competitive checklist. Nevertheless, to ensure a complete record for each checklist item, I have also analyzed whether the SGAT meets the applicable requirements of the checklist.[1]

8. In discussing number administration, I will describe several ways in which SWBT has failed and continues to fail to satisfy the requirements of the Section 271(c)(2)(B)'s competitive checklist. This failure puts AT&T and other potential competitive local exchange carriers (CLECs) at a distinct disadvantage in their efforts to compete with SWBT in local service markets.

9. As part of my discussion of number portability, I will discuss the overall competitive importance of local number portability to the development of vigorous local exchange competition. I will then discuss SWBT's number portability obligations under the competitive checklist and the FCC's rules implementing the number portability provision of Section 251 of the FTA. Finally I will show that neither SWBT's Oklahoma interconnection agreements nor the SGAT satisfy SWBT's interim number portability (INP) obligations under the checklist because none offer Route Index solutions as an INP method, even though (as SWBT does not deny) Route Index solutions are technically feasible. Moreover, both the SGAT and the SWBT Oklahoma agreements contain provisions that do not comply with the number portability requirement of the checklist.

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[1] I note here that the terms and conditions for number administration, number portability, local dialing parity and toll dialing parity found in most of the interconnection agreements in Oklahoma are identical to those found in the SGAT. I infer from this that there were little or no negotiations related to these issues. All that the new entrants received from SWBT in their interconnection agreements was what SWBT was already wiling to provide with respect to these numbering issues. AT&T, however, is in a different position; it wants and requires more from SWBT on other numbering issues than what SWBT wants to provide. AT&T seeks solutions that are consistent with the FTA, technically feasible and which will provide AT&T with a more competitive opportunity to provide local services to customers.

10. In discussing local dialing parity, I will show that neither SWBT's Oklahoma agreements nor the SGAT fully implement this checklist requirement, or give any indication of readiness to provide full implementation in the future.

11. Finally, with respect to intraLATA 1+ toll dialing parity, all SWBT has offered is a promise of compliance at some future date. A plan for actual implementation that can be examined and evaluated is nowhere to be seen.

12. SWBT's current interconnection agreements and SGAT are only a part of the journey toward true competition in telecommunications. I do not believe that Congress intended only a *possibility* of competition in the local service markets, but rather it intended that competition actually *exist* before SWBT be permitted to enter the interLATA market. The SWBT Oklahoma interconnection agreements and SGAT do not demonstrate the existence of anything close to a basis for meaningful local competition. At best, they represent a seriously flawed step toward an environment which is more likely to impede the development of meaningful local competition than it is to foster it..

III. NUMBER ADMINISTRATION

13. Number administration is the process of making North American Numbering Plan telephone numbers available on an equitable basis, as defined in the FTA.

14. Section 271(c)(2)(B) of the FTA, which sets forth the "competitive checklist" of some of the requirements that SWBT must satisfy prior to being permitted to provide long distance in its service area states, requires the following regarding number administration:

> (ix) Until the date by which telecommunications number administration guidelines, plan, or rules are established, nondiscriminatory access to telephone numbers for assignment to the other carrier's telephone exchange service customers. After that date, compliance with such guidelines, plan, or rules.

15. Section 251(e) of the FTA is also relevant to numbering administration. It provides:

> (1) Commission Authority and Jurisdiction. - The Commission shall create or designate one or more impartial entities to administer telecommunications numbering and to make such numbers available on an equitable basis. The Commission shall have exclusive jurisdiction over those portions of the North American Numbering Plan that pertain to the United States. Nothing in this paragraph shall preclude the Commission from delegating to State commissions or other entities all or any portion of such jurisdiction.
>
> (2) Costs. - The cost of establishing telecommunications numbering administration arrangements and number portability shall be borne by all telecommunications carriers on a competitively neutral basis as determined by the Commission.

16. SWBT does not satisfy the FTA's requirements regarding number administration. It is deficient in several regards.

17. *First*, SWBT is not prepared to provide the "nondiscriminatory access" required by the FTA with respect to calling scope issues. In Section IV(A) of the SGAT,[2] SWBT proposes that the CLEC align its office code (NPA-NXX codes) calling scope with SWBT's by obtaining "a separate NXX code or codes for each SWBT exchange or mandatory SWBT calling scope." There is no statutory justification for SWBT to define a competitor's calling scope, even for the purpose of number administration. This restriction discriminates against any new entrant's choice of calling scopes that does not coincide with those of the incumbent LEC. This choice is not within SWBT's province to decide, and is clearly discriminatory.

18. *Second*, NXX Migration charges listed in the SGAT APPENDIX PRICING are inappropriate and do not comply with the FTA. NXX-Migration occurs when an end user, or

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[2] For convenience, I refer primarily to the SGAT, although the deficiencies are also found in the interconnection agreements because as I noted above, the SGAT and interconnection agreements are largely identical with regard to numbering issues.

group of end users, large enough to comprise a whole NPA-NXX moves from one carrier to another. This "migration" occurs because the NPA-NXX once assigned to the first carrier migrates (is reassigned) to the second carrier. NXX assignment and movement are normal activities indicative of customer choice and demographic shifts. In a monopoly LEC environment, such NXX activity is commonplace within and between LECs. To assess a monetary fee to a new entrant for successfully winning a customer or customers in a fashion not currently employed is discrimination.

19. Because these migrations are normal industry activities, no charges beyond any necessary to update the appropriate routing databases (*see* SGAT, § IV(D)) should be charged to the second carrier. Yet, the SGAT contains a fee for such migration with absolutely no cost basis or justification. *See* SGAT APPENDIX PRICING, Schedule at p. 9. There is no evidence that the proposed fee is either competitively neutral or cost-based, as required by the FTA.

20. *Third*, SWBT's number administration procedures remain a mystery, and neither the interconnection agreements nor the SGAT does anything to remedy this situation. In its dual and often conflicting role as a number administrator and incumbent LEC, all of SWBT's policies, procedures, and requirements for number administration should be publicly available so that competing providers may determine whether SWBT is following those procedures, or if those procedures are unfair in nature. In addition, any internal guidelines, job duties, job descriptions, procedures, or other information instructive as to how the job of number administrator is carried out within this State should also be publicly available and on file with the Oklahoma Corporation Commission (Commission). These number procedures and processes should be available for public inspection and should be subject to complaint or petition by interested and affected persons that find them discriminatory in any way. This will help enforce the mandate for impartiality in number administration.

21. Another example of documents that should be made publicly available for number administration is found in Section IV(B) of the SGAT, wherein SWBT refers to the Central Office Code Assignment Guidelines as a source for administration guidelines. Until the date after which SWBT no longer assumes the responsibility as number administrator, these guidelines and any updates, revisions or replacements to them should be on file with the Commission for public inspection.

22. The competitive checklist requires "nondiscriminatory access." As long as SWBT possesses the foregoing information but refuses to share it with others, that requirement remains unsatisfied.

IV. NUMBER PORTABILITY

23. Section 271(c)(2)(B)(ix) of the FTA requires the following regarding number portability:

> Until the date by which the Commission issues regulations pursuant to section 251 to require number portability, interim telecommunications number portability through remote call forwarding, direct inward dialing trunks, or **other comparable arrangements,** with as little impairment of functioning, quality, reliability, and convenience as possible. After that date, full compliance with such regulations. (emphasis added)

24. Additionally, Section 251(b)(2) of the FTA imposes the following duty on SWBT:

> The duty to provide, to the extent technically feasible, number portability in accordance with requirements prescribed by the Commission.

25. The FCC further described Number Portability implementation in its July 2, 1996 Order (FCC NP Order[3]). Characteristics of both permanent number portability (PNP) and interim

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[3] *In the Matter of Telephone Number Portability*, CC Docket No. 95-116 (rel. July 2, 1996) (FCC NP Order).

number portability were ordered, and INP costs and basic components and guidelines for cost recovery mechanisms were delineated. As a result, there are significant guidelines already provided by the FTA and FCC to determine compliance with the competitive checklist as it relates to number portability.

26. SWBT has not complied with Section 271(c)(2)(B)(xi) of the FTA with respect to provision of interim number portability. It has not implemented INP methods, including Route Index solutions, even though these are commonly displayed for INP. The Oklahoma interconnection agreements and the SGAT do not implement a full array of INP solutions or a related cost recovery mechanism that is competitively neutral. Neither the SGAT nor the interconnection agreements result in even *near*-equity in service quality between providers. If customers do not receive comparable service at comparable prices, they will generally refuse to change carriers.

A. Local Number Portability is Vitally Important to Local Competition.

27. As used in this affidavit, the term local number portability (LNP) refers generally to "service provider portability." Service provider portability is the capability of a customer to change to a different local service provider while retaining the same telephone number at the same location without impairment of any quality, reliability or convenience.

28. The absence of an effective LNP solution will be a significant barrier to the introduction of local exchange competition. Most customers will refuse to change carriers if they cannot have the assurance that their numbers will remain the same even after the change,

because telephone numbers are completely integrated into the social fabric and commerce of the nation, from address books to directories to business cards.[4]

B. SWBT Has Failed to Provide INP Solutions Consistent With the FTA, FCC NP Order, or Other Arbitration Rulings.

29. Interim number portability, is an interim arrangement used to provide number portability to consumers of all sizes using existing switching and network capabilities. INP relies on the carrier where the original NXX (Central Office Exchange Code) is assigned (which will usually be SWBT) to provide portability. INP often does not allow all service features (*e.g.*, Custom Calling Services, Caller ID) to be delivered to and from ported numbers. While INP has inherent shortcomings, it is necessary to bridge the gap between today's need to provide alternative local service and the reality that a permanent solution is not yet available.

30. In order to satisfy the INP requirement of the checklist, SWBT must have fully implemented all technically feasible INP methods.

31. Section 251(b)(2) of the FTA requires LECs "to provide, to the extent technically feasible, number portability in accordance with requirements prescribed by the Commission." The FCC has required that, until a PNP solution is fully deployed, carriers such as SWBT must provide all technically feasible INP solutions necessary for CLECs to be able to achieve near term competition with incumbent LECs, such as SWBT. FCC NP Order ¶¶ 110-11, 115; *see also* 47 C.F.R. § 52.27.

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[4] Studies have demonstrated that business and residential customers are reluctant to switch carriers if they must change telephone numbers. One study performed by MCI, and cited by the Commission in its FCC NP Order, found that "83 percent of business customers and 80 percent of residential customers would be unlikely to change local service providers" if they were required to change their telephone numbers. Another study, commissioned by MFS Intelenet, Inc., likewise showed that approximately 81 percent of business customers indicated that they were unlikely to change service providers offering comparable or superior service if they had to change their telephone number.

32. As the FCC stated, "the 1996 Act contemplates a dynamic, not static, definition of technically feasible number portability methods." *Id. at* ¶ 110. Thus, the FCC has required that "when a number portability method that better satisfies the requirements of section 251(b)(2) than currently available measures becomes technically feasible, **LECs must provide number portability by means of such method.**" *Id.* at ¶ 115 (emphasis added). The FCC's regulations similarly require LECs to provide RCF, DID, "or any of the comparable and technically feasible methods, as soon as reasonably possible upon receipt of a specific request" for that method from another telecommunications carrier, until such time as PNP has been implemented. 47 C.F.R. § 52.27.

33. In short, under the FTA and the FCC's regulations SWBT has an ongoing obligation to provide ***all*** technically feasible methods until a permanent local number portability solution is implemented (3Q98 in Oklahoma City, 4Q98 in Tulsa). Genuine competition requires a minimum of four INP options. Specifically, **Remote Call Forwarding** (RCF), **Route Index - Portability Hub** (RI-PH), **Directory Number - Route Index** (DN-RI), and **Local Exchange Routing Guide "LERG" Reassignment** (called **NXX Migration** in the SWBT SGAT) are necessary to address all types of customers satisfactorily.[5] All are technically feasible, as SWBT conceded in negotiations; all have been ordered deployed in arbitration between SWBT and AT&T.[6] These methods are ordered in nearly all RBOC regions and considered by GTE to be technically feasible in its 26 operating states. As is demonstrated below, however, SWBT has not implemented all of these methods. Accordingly, SWBT has not fully implemented the competitive checklist and is not entitled to Section 271 relief.

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5 As a result of their various functional attributes, certain INP methods are better suited to serve certain types of customers. Thus, CLECs must have access to the widest range of technically feasible INP methods to be effective competitors.

6 Docket Nos. 97-AT&T-290-ARB (Kansas) and TO-97-40 (Missouri)

34. In order for a facilities-based provider to be competitive, it will need Route Index solutions as an INP method, for two reasons. *First*, Route Index solutions, by themselves (that is, with or without LERG Reassignment), are required to effectively port a number of medium- and large-sized business customers. *Second*, Route Index solutions are needed in conjunction with LERG Reassignment to provide effective service to very large business customers.

1. Overview of Route Index Solutions

35. There are two main forms of Route Indexing: RI-PH and DN-RI. While RI-PH and DN-RI are similar, RI-PH is a more advanced form of Route Indexing, primarily because DN-RI requires direct trunking between SWBT and a CLEC's end offices, while RI-PH allows a CLEC to serve its customers more effectively by connection from SWBT's end offices via a tandem switch.

36. RI-PH's tandem switching capability is significantly more efficient than other INP methods, because it allows ported calls from any number of SWBT's end offices to be aggregated at SWBT's tandem offices prior to being routed to the CLEC.[7] The FCC has previously recognized that use of such tandem switches is "often more efficient" than RCF or DID, "because it alleviates the need for direct connections between every LEC end office in a local exchange and the switch of each competitive exchange provider."[8]

37. During negotiations for its interconnection agreement, AT&T requested that SWBT provide Route Index solutions, as well as RCF and LERG Reassignment, because all those methods are necessary to ensure that customers moving from SWBT's network to AT&T's

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[7] Although AT&T prefers the RI-PH form of Route Indexing, AT&T has no objections to using the DN-RI form of Route Indexing as an INP method where direct trunks between SWBT and AT&T end offices already exist for other purposes.

[8] *Notice of Proposed Rule Making for Telephone Number Portability*, CC Docket No. 95-116, (rel. July 13, 1995) ¶ 61.

network could do so without having to change numbers, while also retaining near dialing and feature parity. Specifically, AT&T determined that: (1) generally RCF is the best currently feasible method for AT&T's residential and small business customers; (2) RI-PH is the best currently available INP method for AT&T's medium- and large-sized business customers; and (3) LERG Reassignment is the best method for serving AT&T's largest business customers. A review of RCF, DID, and Route Indexing (with and without LERG Reassignment) demonstrates why this is the case.

2. SWBT's Alternative are Inferior to Other Technically Feasible INP Methods.

38. RCF -- which SWBT is willing to provide -- is the INP method most likely used for residential and small business customers. For the provisioning of individual lines, RCF preserves some screening-based CLASS features and other functionalities (such as Caller ID).

39. However, RCF suffers from some significant limitations as an option for medium- and large-sized business customers. For example, RCF cannot effectively serve customers that have large call centers receiving many simultaneous calls to a single number. Although RCF can add additional call paths to accommodate the provision of call completion, RCF has a switch variable maximum limit of call paths, which makes it unsuitable for many inbound calling applications. Moreover, RCF is very wasteful of numbering resources because it uses a second "shadow number" for each directory number a customer ports. As such it will hasten and exacerbate number exhaust.

40. Thus, for most business customers, RCF is less efficient for porting larger blocks of numbers, than are the Route Index solutions. Whereas RCF requires manual data entry for each ported number, RI-PH and DN-RI permit large blocks of numbers to be ported with a single operation. Although the manual data entry under the RCF method would be performed

by SWBT, this system may delay the porting of numbers of CLEC customers. Moreover, unlike RCF, Route Index solutions do not use shadow numbers and do not have a call path limit.

41. Because RCF is not an effective method for medium- and large-sized business customers, AT&T determined that Route Index solutions (by themselves, without LERG Reassignment) are the most effective INP methods for serving medium- and large-sized business customers, but for very large business customers, LERG Reassignment with Route Indexing, is the most effective INP method. The two alternatives offered by SWBT, DID and LERG Reassignment without Route Index solutions, would be inadequate as INP solutions for these classes of customers -- and, thus, would put CLECs such as AT&T at a distinct competitive disadvantage.

42. In the absence of RI-PH, DID is the only alterative INP method offered by SWBT that could be used to serve medium- and large-sized business customers. However, DID would not be an adequate INP method for these business customers.[9]

43. DID is an existing feature used in the local network for connectivity between a network switch and a PBX. The DID method suffers from technical and economic limitations not presented by either Route Indexing solution.

44. *First,* DID only supports analog (MF) signaling. Because SS7 signaling is not preserved, important functionalities, such as Caller ID, cannot be provided to the ported customer.

45. *Second,* as a PBX interface, DID treats a CLEC as a PBX and not as a peer network. Accordingly, DID requires that a CLEC build special direct trunks dedicated solely to number portability between a CLEC's and SWBT's end offices. Such an economic burden

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[9] Indeed, AT&T has never asked for DID as an INP solution.

is technically unnecessary (given the technical feasibility of Route Index solutions) and economically unsound. Unlike trunks used for Route Index solutions, these DID trunks can be used only for ported calls and will become stranded plant, and thus rendered useless, once PNP is fully implemented.

46. *Third,* DID does not meet the needs of larger business customers because it relies upon analog (MF) signaling that, (unlike SS7 signaling), would create additional post-dialing delay, causing customers who port their numbers to receive service inferior to that available using RI-PH or DN-RI.

47. The other INP method offered by SWBT, LERG Reassignment (or NXX Migration), is necessary for a CLEC to effectively serve very large business customers -- a competitively significant customer segment. LERG Reassignment enables a CLEC to reassign an entire exchange (NXX) from an SWBT end office to a CLEC's end office by modifying the LERG data base.

48. As offered by SWBT, however, LERG Reassignment would present substantial problems as an INP method because SWBT does not provide LERG Reassignment with Route Index solutions, which is essential in order for CLECs such as AT&T to take advantage of LERG Reassignment. The LERG Reassignment method requires that within 45 days after the LERG updates are published, all telecommunications carriers must update the translations in all of their switches to reflect changes in the LERG. In order for CLECs to be able to redirect calls to the requesting party's switch during the 45-day period prior to updating, it is critical that SWBT provide CLECs with a form of Route Indexing as a transitional method for the largest business customers.

49. If CLECs are unable to use Route Index solutions in conjunction with LERG Reassignment, CLECs such as AT&T will be handicapped in serving very large businesses.

Customers who would otherwise switch carriers will be dissuaded from doing so because they would have to remain fully connected to the SWBT network until they could confirm that all carriers had fully implemented the LERG updates. Because the LERG database is updated monthly, this delay could be as long as 75 days, depending on the date on which the reassignment request was submitted to SWBT. This delay would clearly be unacceptable to most customers. Thus, without RI-PH and DN-RIs a CLEC would be unable to take full advantage of LERG Reassignment to effectively serve the very customer class for which, ironically, LERG Reassignment is best suited.

50. Because SWBT's existing INP offerings would have the effect of requiring a CLEC to rely on DID to serve medium- and large-sized business customers, entry into the local exchange market would be hindered in a number of ways. *First,* without Route Index solutions, a CLEC would be severely handicapped in porting large business customers with ISDN PBX systems due to the limited technical capabilities of the DID method, which does not preserve SS7 signaling and thus prevents the use of ISDN capabilities on incoming calls. That fact is a major consideration underlying the competitive need for Route Index solutions, because many large businesses use ISDN capabilities.

51. *Second,* although all INP methods lack parity with the service that SWBT provides to its own customers, incremental post-dialing delays experienced with DID trunks exceed those

which can be expected from route indexing methods.[10] The additional delays would cause customers to perceive the CLEC's service to be inferior to SWBT's.

52. *Third*, under DID, a CLEC would be required to incur expenses for provisioning LNP-only direct trunk facilities in advance of commencing service, without knowing the extent to which they will actually be used. Those expenses are considerably greater than the expenses required in the use of RI-PH, because: (1) the DID trunks generally can be used only for ported calls; (2) the number of personnel-hours required to monitor and provision trunk facilities is substantially higher under DID due to the greater number of trunk groups required; and (3) installed DID trunks will become stranded capacity once PNP is implemented.

53. *Fourth*, SWBT has not demonstrated that it has sufficient capacity to timely provide the trunks which CLECs would require for DID, both currently and in the future as demand increases, particularly since SWBT will also need to satisfy its own trunking needs and those of other CLECs. These needs could be substantial. As discussed in the Statement of Edwin Rutan, SWBT must demonstrate that it has fully implemented the competitive checklist, including numbering portability. For example, if CLECs having a combined total of 5 end offices wished to interconnect under DID with 100 SWBT end offices, a total of 500 direct trunks alone would be required to connect each CLEC end office to each SWBT end office.

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[10] Both the FTA and the FCC's orders recognize that entry by the CLECs could be impeded if their customers experience excessive post-dial delay. *See* 47 U.S.C. § 251(b)(3) (requiring carriers to provide, "with no unreasonable dialing delays," dialing parity and nondiscriminatory access to telephone numbers, operator services, directory assistance, and directory listing); FCC NP Order ¶ 56 (requiring that when customer switches carriers after implementation of PNP, customer must not experience greater dialing delay due to number portability compared to when customer was with original carrier); *In the Matter of Implementation of the Local Competition Provision of the Telecommunications Act of 1996*, CC Docket Nos. 96-98, *et al.*, (rel. August 8, 1996) Second Report and Order and Memorandum Opinion and Order (Second Order), ¶¶ 156-62 ("in light of the plainly procompetitive thrust" of the requirements of Section 251, FCC concludes that the "unreasonable dialing delay" prohibition applies to all of the obligations set forth in Section 251(b)(3), and requires that any dialing delay experienced by CLEC customers must not be greater than those experienced by customers of the LEC); 47 C.F.R. § 51.25.

Without timely provision of the necessary trunks, a CLEC would not be in a position to provide local exchange service. As a practical matter, in such circumstances a CLEC could not even commence marketing efforts to targeted customers, since it either would be unable to schedule a specific in-service date or would schedule an in-service date so far in the future as to be unacceptable to customers.

54. For these reasons, Route Index solutions (both by themselves and in conjunction with LERG Reassignment) are not only technically feasible, but are necessary to enable CLECs to compete effectively for all business customers. Unlike RCF, Route Index solutions can be provided with a single operation, have no call path limit, and do not use an inefficient "shadow number" system. Unlike DID, Route Index solutions enable CLECs to preserve SS7 and to avoid the unnecessary economic burdens and overall inefficiencies involved in building special direct trunks dedicated solely to LNP. Furthermore, these methods enable CLECs to use LERG Reassignment effectively to serve very large business customers.

55. Without Route Index solutions, SWBT's competitive position would thus be strengthened, because CLECs would be denied the opportunity to provide their customers with functionality as close as possible to that which SWBT provides its own customers. The resulting disadvantage to the CLECs would be substantial, particularly since it will be some time before PNP is fully implemented in Oklahoma on a statewide basis.

56. During negotiations, SWBT did not deny that all four INP methods were technically feasible to deliver. Arbitrators in both Kansas and Missouri agreed with AT&T that all four INP methods should be made available by SWBT, in rulings in Docket Nos. 97-AT&T-290-ARB, and TO-97-40, respectively. Indeed, most of the Bell Operating Companies (BOCs) and GTE, have either been ordered to provide them by one or more state commissions, or agreed that Route Index solutions and LERG Reassignment are technically feasible.

57. Until such time as RCF, DID, RI-PH, DN-RI and LERG Reassignment are actually in place and operational between SWBT's network and that of a new entrant, including actual deployment with associated Operational Support Systems in place to allow electronic interfaces between companies to function, SWBT has failed to meet the competitive checklist duty to provide INP solutions with as little "impairment of functioning, quality, reliability, and convenience as possible." FTA § 271(c)(2)(B). The Commission should therefore find that SWBT has not met the requirement of Section 271(c)(2)(B)(ix).

C. SWBT's SGAT and Interconnection Agreements Fail to Provide a Full Array of INP Solutions as Required by the FTA, FCC Order, and Other State Arbitration Awards.

58. As is noted above and elsewhere, SWBT must establish **full implementation** of the checklist requirements, rather than mere promises of future compliance. Even SWBT's promises, though, fall short of the required array of INP solutions.

59. While some parties to SWBT's various interconnection agreements have agreed to the use of RCF and DID, perhaps for expediency sake, there are no interconnection agreements that provide Route Index solutions. I know, however, that where Route Index solutions have been discussed, most interconnectors agree to the advantages in their application. Even SWBT does not disagree with the utility of Route Index solutions. The interconnection agreements however, do not provide any support for full compliance with the FTA or FCC NP Order.

60. It is also worth noting that the terms and conditions for INP found in most of the interconnection agreements in Oklahoma are identical to those found in the SGAT. I infer from this that there were little or no negotiations related to the issue of interim number portability. All that the new entrants received from SWBT in their interconnection agreements was what SWBT was willing to provide with respect to these numbering issues. AT&T, however, is in

a different position: it wants and requires more from SWBT on INP and other numbering issues than what SWBT wants to provide. AT&T seeks INP solutions that are consistent with the FTA, technically feasible and which will provide AT&T with a more competitive opportunity to provide local services to customers.

61. Unfortunately, the SGAT only includes RCF, DID, and LERG Reassignment (*See* Exhibits ML-2 and ML-3 for description of each INP solution). Despite commission orders from other states to the contrary, SWBT continues to offer less than what is required of it in service to its local service competitors in Oklahoma.

D. SWBT's SGAT Has Additional Provisions That Are Not Reasonable or In The Public Interest.

62. SWBT has also included certain conditions in its Oklahoma interconnection agreements and SGAT which are objectionable and which should lead the Commission to conclude that SWBT remains far from being in compliance with being ready to satisfy the checklist. The most obvious problems are: (1) performance intervals for changeovers; (2) restrictions on availability of number portability; (3) intercept charges; and (4) competitively non-neutral prices.

63. The first example is SWBT's proposed changeover performance intervals. As a competitor, the ability to provide a customer with service in an expeditious and reasonable manner is imperative. When a customer chooses to retain his or her telephone number, the changeover is even more important to make the transaction as transparent as possible.

64. Section XVI(A)(3) of the SGAT provides "performance criteria" which SWBT will attempt to reach at least 80 percent of the time.[11] For INP, the proposed changeover time

[11] Again, I cite to the SGAT for simplicity and convenience, given the similarity between the SGAT and interconnection agreements on numbering issues. In no way do I mean to imply that Track B is available to SWBT in Oklahoma.

intervals are five days for INP service for 1-10 numbers per service order; 10 days for 11-20 numbers per Service Order: and an interval "to be negotiated in an agreement between the Parties" for 21+ numbers per service order. These intervals are commercially unreasonable, lack parity with the same intervals SWBT applies to itself for new service, and are unduly vague. The industry standard that is being followed by every other incumbent LEC for changeover using PNP is three days, and with large custom orders negotiable. The intervals proposed in the SGAT are not the same that SWBT uses for provision of new service for its own customers. SWBT uses a three-day time interval for changeover or implementation of new service. Anything less is contrary to the letter and spirit of the FTA.

65. A second area of concern relates to the SGAT's requirement restricting the availability of INP. Section II(A)(3) of APPENDIX PORT prohibits a CLEC, such as AT&T, from ordering INP service for a customer that is 45 days or more in arrears to SWBT. There is no legal or regulatory justification for this restriction, particularly when it places the burden on the CLEC to advise the customer that he or she cannot obtain INP service, thereby retaining his or her current telephone number because of a past-due bill owed to SWBT. In essence, the provision requires the CLEC to become a "collection agent" for SWBT. This provision serves as an excellent example of how SWBT places competitively unfair burdens on the CLEC to place the CLEC in a bad light with the customer.

66. The third example of inappropriate and unreasonable provisions in the SGAT can be found in Section II(C)(4) of APPENDIX PORT. SWBT plans to charge the new entrant for intercept charges after the end user disconnects or is terminated from service. There is no technical or business rationale for the new entrant to pay for intercept charges on a line wholly owned by SWBT. Additionally, SWBT has not provided any cost justification for any fee or charge.

67. Finally, the prices for INP services do not comply with the FTA or the FCC NP Order. Prices for INP service are to be "competitively neutral" and in compliance with the FCC NP Order. *See* FCC NP Order at ¶¶ 129-130. Prices should not be recovered entirely from new entrants, as this would shift the cost totally onto the competing carrier's bill and defeat local competition before it begins. The rates and fees proposed by SWBT in the SGAT do not appear to resemble rates that are competitively neutral. Application of the elemental access line formula (Section II(a) of APPENDIX PORT) relies on a faulty definition of "carriers," and further fouls this SGAT filing.

V. LOCAL DIALING PARITY

68. Local dialing parity is the ability for competing carriers to secure nondiscriminatory access to numbers and services of the incumbent without unreasonable dialing delay.

69. Section 271(c)(2)(B) of the FTA requires the following regarding local dialing parity:

> (xii) Nondiscriminatory access to such services or information as are necessary to allow the requesting carrier to implement local dialing parity in accordance with the requirements of section 251(b)(3).

70. Section 251(b)(3) of the FTA also imposes the following on all LECs:

> The duty to provide dialing parity to competing providers of telephone exchange service and telephone toll service, and the duty to permit all such providers to have nondiscriminatory access to telephone numbers, operator services, directory assistance, and directory listing, with no unreasonable dialing delays.

71. SWBT has not provided any basis for a determination that SWBT has fully implemented local dialing parity under Section 271(c)(2)(B)(xii) of the FTA. Implementation of nondiscriminatory access to numbers and services without unreasonable dialing delay must

be established, not merely alleged. I am aware of no evidence that SWBT is currently able to deliver local dialing parity to an alternative carrier. The current record consists only of SWBT's vague expression of its intention to provide local dialing parity in the filed interconnection agreements and the SGAT. As with other aspects of the checklist, a promise to provide service may fall well short of actual delivery of that service. If SWBT obtains approval to enter the interLATA market prior to actual implementation of this requirement, SWBT would have little or no motivation to follow through with effective delivery of services advantageous to their local service competitors.

VI. TOLL DIALING PARITY

72. Toll dialing parity refers to the requirement that BOCs offer IntraLATA 1+ toll dialing parity (or IntraLATA equal access) as one of the prerequisites to providing in-region interLATA toll service.

73. Section 271(e)(2) of the FTA requires the following regarding toll dialing parity:

> (A) Provision Required. - A Bell operating company granted authority to provide interLATA services under subsection (d) shall provide intraLATA toll dialing parity throughout that State coincident with its exercise of that authority.
>
> (B) Limitation. - Except for single-LATA States and States that have issued an order by December 19, 1995, requiring a Bell operating company to implement intraLATA toll dialing parity, a State may not require a Bell operating company to implement intraLATA toll dialing parity in that State before a Bell operating company has been granted authority under this section to provide interLATA services originating in that State or before 3 years after the date of enactment of the Telecommunications Act of 1996, whichever is earlier. Nothing in this subparagraph precludes a State from issuing an order requiring intraLATA toll dialing parity in that State prior to either such date so long as such order does not take effect until after the earlier of such dates.

74. The implementation of intraLATA toll dialing parity is a critical element in the review of SWBT's ability to enter into the interLATA market. AT&T and other interexchange

carriers must be able to offer intraLATA toll service commensurate with SWBT's entry into the long distance market. If the implementation of intraLATA toll dialing parity lags in any fashion, alternate intraLATA toll carriers will be significantly harmed and disadvantaged.

75. SWBT's proposal for providing toll dialing parity is not clearly compliant with the FTA and FCC orders. While the FTA does not specify a type of toll dialing parity, the FCC adopted "the full 2-PIC method as the minimum presubscription standard."[12] Consequently, SWBT must have, in place and fully operational, the full 2-PIC presubscription capability at the time it is allowed to enter the interLATA market. SWBT fails in this regard. Section VI(B)(2) of the SGAT provides, "SWBT agrees to make intraLATA dialing parity available in accordance with Section 271(e) of the [FTA]." This does not even begin to demonstrate full implementation of the FTA and the Dialing Parity Order; indeed, it signals that implementation has not yet occurred.

76. SWBT's obligation to provide intraLATA toll dialing parity does not begin with an order approving SWBT's petition to offer in-region interLATA toll service. The should require a detailed conversion plan for intraLATA toll dialing parity, **before** recommending to the FCC approval of any such in-region interLATA service. The conditions must be fully analyzed and in place, in order to determine whether the SWBT plan satisfies the needs of promoting intraLATA toll competition. Some of the conditions which must exist for the plan to be found acceptable are:

- Consistent with FCC direction, a "full 2-PIC" method should be used as the software delivery mechanism. Other methods are either inferior or currently unavailable.

[12] Second Order, ¶ 49.

- Balloting should not be considered a necessary aspect of the customer decision-making process. Research and experience allows that this is not how the customer wants to choose.

- Customer selection should not at this time include international toll carrier selection. The technology necessary for this selection is not commercially available.

- IntraLATA toll parity should also be extended to proprietors of all payphones. This allows competition in the intraLATA market to be extended to a large number of the LEC-owned payphones which otherwise would remain monopoly toll provided.

77. A specific plan for intraLATA toll parity should be filed, reviewed, and approved by the Commission before it recommends that SWBT be granted interLATA authority. This plan should be driven to the NPA-NXX and Common Language Location Identifier (CLLI) office identification level, and should include counts of access lines involved in each of those offices. Dates of office conversion should be included in the plan.

78. Finally, costs and cost recovery must be addressed in any detailed conversion plan for intraLATA toll parity. Some significant aspects of cost and cost recovery which the Commission should require are:

- Costs should be incremental, rather than traditional, fully distributed costs. Cost study methodology should be reviewed in advance of cost development.

- Costs should only recover for specific expenditures made to accommodate intraLATA toll parity. These costs should be limited to: software, network, balloting and customer education, and administration and billing systems. These costs should not include upgrades to capacities unrelated to toll parity. Cost components should be reviewed before inclusion in the cost results.

- Costs should be distributed to intraLATA toll purveyors on a Minute-of-Use (MOU) share basis, including SWBT MOUs. Costs are attributable to increased customer choice, thus should be spread to all customers, not just those of new intraLATA competitors. In addition, the temptation to include interLATA MOUs in the spread of costs should be avoided, as interLATA

presubscription has been compensated for long ago. IntraLATA carriers should pay for intraLATA toll parity.

79. SWBT should not be permitted to enter the interLATA market until a detailed conversion plan for intraLATA toll parity is submitted, reviewed, and approved. SWBT's promise to "provide intraLATA toll dialing parity when an affiliate of SWBT begins providing in-region interLATA service" does not instill confidence that such a plan will allow immediate intraLATA toll competition. Since the contents of SWBT's pledged "IntraLATA Toll Dialing Parity Implementation Plan" are unknown, SWBT has not demonstrated that its plan satisfies public interest concerns in Oklahoma.

VII. CONCLUSION

80. Numbering issues are vitally important to the effectiveness of competition. As such, the Commission should hold SWBT to a strict standard to meet the requirements of Section 271. Accordingly, the Commission should find that SWBT (1) has not met any of the Section 271 requirements for number administration, number portability, or local dialing parity, and (2) has not presented any evidence to establish that intraLATA dialing parity will be implemented in accordance with the law.

VERIFICATION

STATE OF MISSOURI)
)
COUNTY OF Jackson)

I, MARK LANCASTER, being first duly sworn, now state: that I am authorized to provide the foregoing statement on behalf of AT&T; that I have read the foregoing statement; and the information contained in the foregoing statement is true and correct to the best of my knowledge and belief.

MARK LANCASTER
AT&T
Technical Support Manager, Local Services Division

SUBSCRIBED AND SWORN TO BEFORE ME this 6th day of March, 1997.

Notary Public

My Appointment Expires:
10/22/2000

RENE' MARTINEZ
Notary Public - Notary Seal
STATE OF MISSOURI
Jackson County
My Commission Expires: Oct. 22, 2000

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